

Senate Study Bill 3056 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON CHAPMAN)

A BILL FOR

1 An Act relating to the maximum value of life insurance
2 companies' and life insurance associations' investments
3 in CM3 classified mezzanine loans as a percentage of such
4 company's or association's legal reserve.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 511.8, subsection 9, paragraph h,
2 subparagraph (3), subparagraph division (a), Code 2018, is
3 amended to read as follows:

4 (a) The value of a company's or association's total
5 investments qualified under this paragraph "h" in mezzanine
6 real estate loans classified as CM3 in accordance with the
7 national association of insurance commissioners' rating
8 methodology or an equivalent or successor rating at the time
9 of purchase shall not exceed ~~two~~ three percent of the legal
10 reserve.

11 EXPLANATION

12 The inclusion of this explanation does not constitute agreement with
13 the explanation's substance by the members of the general assembly.

14 This bill relates to the maximum value of a life insurance
15 company's and life insurance association's investments in CM3
16 classified mezzanine loans as a percentage of such company's or
17 association's legal reserve. The current maximum value of such
18 investments is 2 percent of a company's or association's legal
19 reserve. The bill increases the maximum value to 3 percent of
20 such company's or association's legal reserve.